

Human Resource Management

Ref : 'Management'

by Stephens Robbins & Mary Coulter

Chapter -10 (9th edition or later)

A.B.M. Mainul Bari

Lecturer, Dept. of IPE, BUET

The Importance of Human Resource Management (HRM)

- As a necessary part of the organizing function of management
 - Selecting, training, and evaluating the work force
- As an important strategic tool
 - HRM helps establish an organization's sustainable competitive advantage.
- Adds value to the firm
 - High performance work practices lead to both high individual and high organizational performance.

Exhibit 12–1 Examples of High-Performance Work Practices

- Self-managed teams
- Decentralized decision making
- Training programs to develop knowledge, skills, and abilities
- Flexible job assignments
- Open communication
- Performance-based compensation

Source: Based on W. R. Evans and W. D. Davis, “High-Performance Work Systems and Organizational Performance: The Mediating Role of Internal Social Structure,” *Journal of Management*, October 2005, p. 760.

Environmental Factors Affecting HRM

- Employee Labor Unions

- Organizations that represent workers and seek to protect their interests through collective bargaining.
 - ❖ Collective bargaining agreement
 - A contractual agreement between a firm and a union elected to represent a bargaining unit of employees of the firm in bargaining for wage, hours, and working conditions.

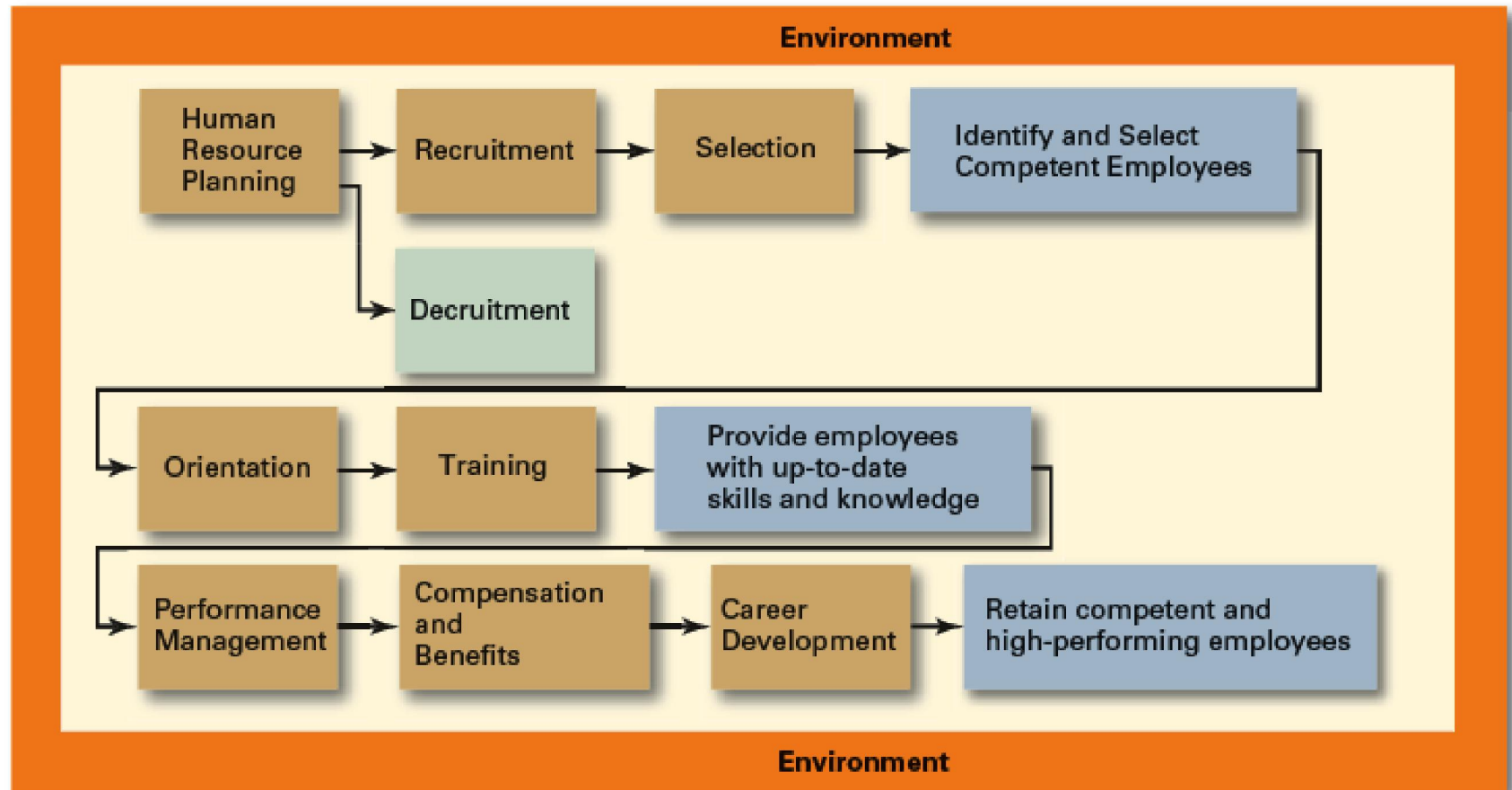
- Governmental Laws and Regulations

- Limit managerial discretion in hiring, promoting, and discharging employees.
 - ❖ Affirmative Action: the requirement that organizations take proactive steps to ensure the full participation of protected groups in its workforce.

The HRM Process

- **Functions of the HRM Process**
 - Ensuring that competent employees are identified and selected.
 - Providing employees with up-to-date knowledge and skills to do their jobs.
 - Ensuring that the organization retains competent and high-performing employees who are capable of high performance.

Exhibit 12-2 Human Resource Management Process



Managing Human Resources

- Human Resource (HR) Planning
 - The process by which managers ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently performing their tasks.
 - Helps avoid sudden talent shortages and surpluses.
 - Steps in HR planning:
 - ❖ Assessing current human resources
 - ❖ Assessing future needs for human resources

Current Assessment

- Human Resource Inventory

- A review of the current make-up of the organization's current resource status

- Job Analysis

- ❖ An assessment that defines a job and the behaviors necessary to perform the job

- Knowledge, skills, and abilities (KSAs)

- ❖ Requires conducting interviews, engaging in direct observation, and collecting the self-reports of employees and their managers.

Current Assessment (cont'd)

- Job Description

- A written statement of what the job holder does, how it is done, and why it is done.

- Job Specification

- A written statement of the minimum qualifications that a person must possess to perform a given job successfully.

Meeting Future Human Resource Needs

Factors Affecting Staffing

- **Strategic Goals**
- **Forecast demand for products and services**
- **Availability of knowledge, skills, and abilities**

Recruitment and Decruitment

- **Recruitment**

- The process of locating, identifying, and attracting capable applicants to an organization

- **Decruitment**

- The process of reducing a surplus of employees in the workforce of an organization

Exhibit 12–4 Major Sources of Potential Job Candidates

| Source | Advantages | Disadvantages |
|---------------------------------------|---|---|
| Internet | Reaches large numbers of people; can get immediate feedback | Generates many unqualified candidates |
| Employee referrals | Knowledge about the organization provided by current employee; can generate strong candidates because a good referral reflects on the recommender | May not increase the diversity and mix of employees |
| Company Web site | Wide distribution; can be targeted to specific groups | Generates many unqualified candidates |
| College recruiting | Large centralized body of candidates | Limited to entry-level positions |
| Professional recruiting organizations | Good knowledge of industry challenges and requirements | Little commitment to specific organization |

Exhibit 12–5 Decruitment Options

| Option | Description |
|-------------------|--|
| Firing | Permanent involuntary termination |
| Layoffs | Temporary involuntary termination; may last only a few days or extend to years |
| Attrition | Not filling openings created by voluntary resignations or normal retirements |
| Transfers | Moving employees either laterally or downward; usually does not reduce costs but can reduce intraorganizational supply-demand imbalances |
| Reduced workweeks | Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis |
| Early retirements | Providing incentives to older and more senior employees for retiring before their normal retirement date |
| Job sharing | Having employees share one full-time position |

Selection

- Selection Process

- The process of screening job applicants to ensure that the most appropriate candidates are hired.

- What is Selection?

- An exercise in predicting which applicants, if hired, will be (or will not be) successful in performing well on the criteria the organization uses to evaluate performance.
- Selection errors:
 - ❖ Reject errors for potentially successful applicants
 - ❖ Accept errors for ultimately poor performers

Exhibit 12–6 Selection Decision Outcomes

| | | Selection Decision | |
|-----------------------|--------------|--------------------|------------------|
| | | Accept | Reject |
| Later Job Performance | Successful | Correct decision | Reject error |
| | Unsuccessful | Accept error | Correct decision |

Exhibit 12–7 Selection Devices

- Application Forms
- Written Tests
- Performance Simulations
- Interviews
- Background Investigations
- Physical examinations



Written Tests

- **Types of Tests**

- Intelligence: how smart are you?
- Aptitude: can you learn to do it? (3, 5, 11, 29, ?, 245)
- Attitude: how do you feel about it?
- Ability: can you do it now?
- Interest: do you want to do it?

- **Legal Challenges to Tests**

- Lack of job-relatedness of test items or interview questions to job requirements(Validity)
- Discrimination in equal employment opportunity against members of protected classes(Reliability)

Other Selection Approaches

- Interviews

- Although used almost universally, managers need to approach interviews carefully. (In any kind of job)

- Background Investigations

- Verification of application data(Educational Institution)
- Reference checks:
 - ❖ Lack validity because self-selection of references ensures only positive outcomes.

- Physical Examinations

- Useful for physical requirements and for insurance purposes related to pre-existing conditions. (Army)

Exhibit 12–8 Suggestions for Interviewing

1. **Structure a *fixed set of questions* for all applicants.**
2. **Have *detailed information about the job* for which applicants are interviewing.**
3. ***Minimize any prior knowledge* of applicants' background, experience, interests, test scores, or other characteristics.**
4. ***Ask behavioral questions* that require applicants to give detailed accounts of actual job behaviors.**
5. **Use a *standardized evaluation form*.**
6. ***Take notes* during the interview.**
7. ***Avoid short interviews* that encourage premature decision making.**

Source: Based on D.A. DeCenzo and S.P. Robbins, *Human Resource Management*, 7th ed. (New York Wiley: 2002, p. 200)

Other Selection Approaches (cont'd)

- Realistic Job Preview (RJP)
 - The process of relating to an applicant both the positive and the negative aspects of the job.
 - ❖ Encourages mismatched applicants to withdraw.
 - ❖ Aligns successful applicants' expectations with actual job conditions; reducing turnover.(Example: Robi)

Orientation

- Transitioning a new employee into the organization.
 - Work-unit orientation
 - ❖ Familiarizes new employee with work-unit goals
 - ❖ Clarifies how his or her job contributes to unit goals
 - ❖ Introduces he or she to his or her coworkers
 - Organization orientation
 - ❖ Informs new employee about the organization's objectives, history, philosophy, procedures, and rules.
 - ❖ Includes a tour of the entire facility

Exhibit 12–11 Types of Training

| Type | Includes |
|----------|--|
| General | Communication skills(Tour to foreign facility), computer systems application and programming, customer service, executive development, management skills and development, personal growth, sales, supervisory skills, and technological skills and knowledge |
| Specific | Basic life/work skills, creativity, customer education, diversity/cultural awareness, remedial writing, managing change, leadership, product knowledge, public speaking/presentation skills, safety, ethics, sexual harassment, team building(example: BATB), wellness, and others |

Source: Based on “2005 Industry Report—Types of Training,” *Training*, December 2005, p. 22.

Exhibit 12–12 Employee Training Methods

- **Traditional Training Methods**

- **On-the-job**
- **Job rotation**
- **Mentoring and coaching**
- **Experiential exercises**
- **Workbooks/manuals**
- **Classroom lectures**

- **Technology-Based Training Methods**

- **CD-ROM/DVD/videotapes/ audiotapes**
- **Videoconferencing/ teleconferencing/ satellite TV**
- **E-learning**

Employee Performance Management

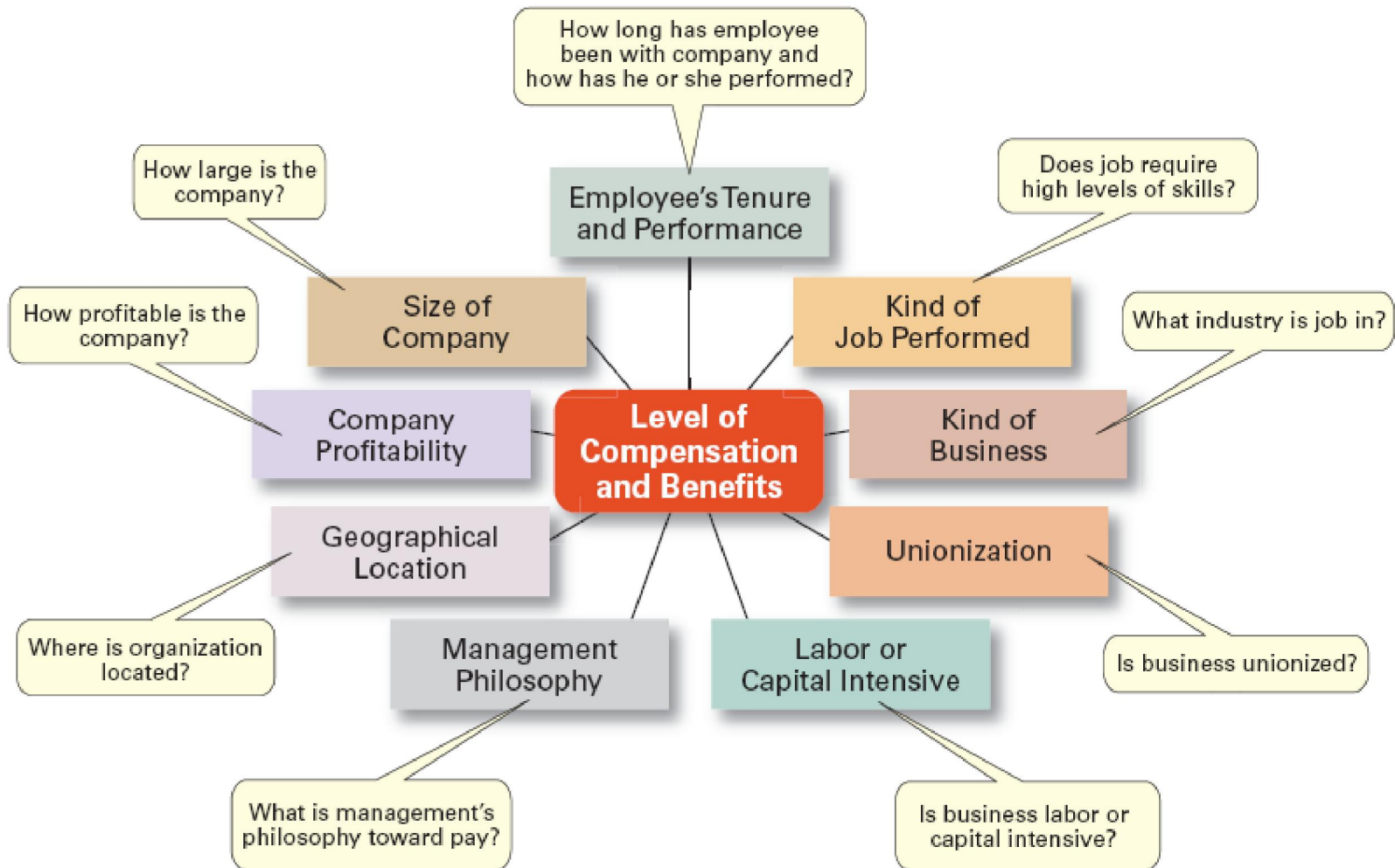
- Performance Management System
 - A process of establishing performance standards and appraising employee performance in order to arrive at objective HR decisions and to provide documentation in support of those decisions.



Compensation and Benefits

- Benefits of a Fair, Effective, and Appropriate Compensation System
 - Helps attract and retain high-performance employees
 - Impacts on the strategic performance of the firm
- Types of Compensation
 - Base wage or salary
 - Wage and salary add-ons
 - Incentive payments
 - Skill-based pay
 - Variable pay

COMPENSATION AND BENEFITS



Sources: Based on R.I. Henderson, Compensation Management, 6th ed. (Upper Saddle River, NJ: Prentice Hall, 1994), pp. 3–24; and A. Murray, "Mom, Apple Pie, and Small Business," Wall Street Journal, August 15, 1994, p. A1

**That's all for
today**